ORIGINAL OPEN MEETING

MEMORANDUM



Arizona Corporation Commission

TO:

THE COMMISSION

DOCKETED

FEB 2 9 2012

2012 FEB 29 P 3: 50

RECEIVED

FROM:

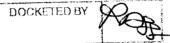
Utilities Division

.

CORP COMMISSION DOCKET CONTROL

DATE:

February 28, 2012



RE:

AJO IMPROVEMENT COMPANY - APPLICATION FOR APPROVAL OF AN

ADJUSTMENT IN ITS PURCHASED POWER AND FUEL ADJUSTMENT

CLAUSE RATE (DOCKET NO. E-01025A-12-0003)

Introduction

On January 4, 2012, Ajo Improvement Company ("AIC" or "Company") filed an application with the Arizona Corporation Commission ("Commission") requesting approval of an adjustment to the Purchased Power and Fuel Adjustment Clause ("PPFAC") rate. On January 18, 2012, AIC filed an amended application maintaining its request to approve an adjustment to the PPFAC rate and incorporating updates to the calculations in the spreadsheets that were filed as Exhibit A to the original application. According to AIC, the purpose of the proposed rate adjustment is to prevent any rapid over-collection of its PPFAC bank balance. AIC is requesting to decrease its PPFAC rate to \$0.01000 per kilowatt hour ("kWh") from \$0.05000 per kWh. This would be a decrease of \$0.04000 per kWh. The application requests an effective date of April 1, 2012.

Background

AIC's last electric rate application resulted in the Commission approving new rates in Decision No. 62764, dated August 2, 2000. In that case, the Commission approved a base cost of power equal to \$0.034699 per kWh and a PPFAC rate of \$0.005332 per kWh. A PPFAC mechanism is established to deal with changes in purchased power costs between rate cases. When the actual cost of purchased power exceeds the base cost of power, the PPFAC rate is set to a positive number. However, when actual purchased power costs are lower than the base cost of power, as in AIC's situation, the PPFAC rate is lowered or even set to a negative number. The PPFAC bank balance tracks the differences between actual purchased power costs and those recovered through the combination of base rates and the PPFAC rate.

In Decision No. 63828, dated June 28, 2001, the Commission approved a PPFAC rate of \$0.05000 per kWh. This PPFAC rate was approved in order to stop rapidly-continuing increases in AIC's under-collected PPFAC bank balance. According to AIC, the current PPFAC rate has reduced the under-collected bank balance to the point where it was eliminated before the end of 2011. If the current PPFAC rate of \$0.05000 per kWh remains in effect, AIC anticipates that the PPFAC bank balance would reflect an over-collection of \$503,946 by the end of 2012.

AIC is an Arizona public service corporation certificated by the Commission to provide electric, water and wastewater service to customers in Pima County, Arizona. According to its

THE COMMISSION February 28, 2012 Page 2

December 2011 fuel adjustor report, AIC provides electric service to approximately 1,029 customers.

AIC's Proposal

AIC proposes to reduce the PPFAC from \$0.05000 per kWh to \$0.01000 per kWh effective April 1, 2012. Based on its current approximation of power costs, AIC estimates that a PPFAC rate of \$0.01000 per kWh beginning in April 2012 should eliminate the over-collection before the end of 2013 (resulting in an under-collection of \$40,758 by the end of 2013). AIC anticipates purchase power prices will remain relatively stable for the Company and believes the PPFAC rate of \$0.01000 along with the base purchase power rate currently in effect of \$0.034699 per kWh will accurately reflect AIC's purchase power costs for the foreseeable future.

Based on average residential monthly usage of approximately 416 kWh, AIC estimates the residential customer's bill would reflect a savings of approximately \$16.64 per month (starting in April 2012) if the Commission approves reducing the PPFAC rate to \$0.01000 per kWh versus having the PPFAC rate remain at \$0.05000 per kWh.

Staff Analysis

Staff has reviewed AIC's projections for future purchased power costs and sales. While the Company's projections may be slightly higher than actual power costs and sales volumes and dollars from 2011, Staff's analysis projecting historical data forward leads to the same conclusions as AIC including: (1) the under-collection bank balance was eliminated before the end of 2011, (2) if no change is made to the current PPFAC rate of \$0.05000 per kWh, the bank balance will continue to grow as an over-collected balance, and (3) if supply prices remain relatively stable for AIC, as they have in the past, reducing the PPFAC rate to \$0.01000 per kWh should eliminate the over-collection. However, Staff projects the over-collection to be eliminated by the summer of 2013 resulting in an under-collected balance of approximately \$20,244 at the end of December 2013.

Staff has examined the models used to calculate the projected account balance levels in the future and finds the models to be consistent with the methodology AIC uses to report its monthly PPFAC account balance information, and is also consistent with the methodology Staff uses to verify AIC's account balance calculations. Since the original and amended application filing dates by AIC, the Company has filed its December 2011 purchased power fuel adjustor reports so Staff was able to complete its analysis based upon actual 2011 power purchases and sales. Staff's analysis, as detailed on the attached spreadsheets, incorporating AIC's proposal for decreasing the PPFAC rate to \$0.01000 per kWh effective April 1, 2012, shows the estimated account balance at the end of 2012 to be an over-collection of \$80,403 and eliminating the over-collection by July of 2013 (resulting in an under-collection of \$20,244 by the end of 2013). If the current PPFAC rate is not decreased as proposed by AIC, Staff's analysis estimates the over-collected bank balance to be \$393,357 at the end of 2012 and over-collected \$688,124 by the end of 2013.

While it is impossible to predict future power prices, AIC estimates little volatility in its supply cost over the next two years based on its current portfolio mix of fixed and index priced supply. The Energy Information Administration ("EIA") publishes natural gas futures prices. The current EIA forecast for 2012 natural gas prices is significantly lower than at this time last year, due to continued growth in production and a warmer winter leading to higher natural gas inventories. EIA anticipates the Henry Hub spot price will average \$3.53 per million British thermal units ("MMBtu") in 2012 and rise to an average of \$4.14 per MMBtu in 2013. While AIC is not purchasing natural gas supply, it is purchasing supply indexed to natural gas pricing. EIA's forecast indicates that the indexed portion of AIC's portfolio should remain at a relatively stable recovery level for AIC. In addition, AIC's actual purchased power costs over the past three years have remained stable averaging in a range from \$0.04000 to \$0.07000 per kWh.

After reviewing AIC's original and amended application, Staff agrees with AIC's assessment that the reduction is necessary to prevent a rapid over-collection by the Company. Staff also agrees with AIC's estimate of savings on an average residential customer's bill of approximately \$16.64 per month if the PPFAC rate is lowered effective April 1, 2012. Staff recommends for approval the reduction of the current PPFAC rate from \$0.05000 per kWh to \$0.01000 per kWh effective April 1, 2012.

Steven M. Olea

Director

Utilities Division

SMO:RSP:lhm\BES

ORIGINATOR: Ranelle Paladino

49	833,003 54,205	€9	ruel adj) ACTUAL COST OF PURCHASED POWER
	704,292		JURISDICTIONAL SALES (kWh) (Applicable to FUEL ADJ.) TOTAL SALES (excluding Special contracts not applicable to
↔	JAN (98,589) \$	69	ENDING BANK BALANCE FROM PREVIOUS MONTH
70 70	IT CLAUS	Š m z	ADJUSTMENT TO PURCHASED POWER AND FUEL ADJUSTMENT CLAUSE R.E.01025A-12-0003 ESTIMATED 2012-13 NO CHANGE TO PPFAC

ENDING BANK BALANCE: Cr=Overpmt by customer	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY (\$/kWh) NET CHANGE TO BANK BALANCE:	AUTHORIZED BASE COST (\$\text{skwh}) OF PUR. POWER AUTHORIZED PUR. POWER ADJUSTOR (\$\text{skwh}) TOTAL RATE COLLECTED FROM CUSTOMER (\$\text{skwh})	UNIT COST (\$/kWh) OF PURCHASED POWER	JURISDICTIONAL SALES (kWh) (Applicable to FUEL ADJ.) TOTAL SALES (excluding Special contracts not applicable to fuel adj) ACTUAL COST OF PURCHASED POWER	ENDING BANK BALANCE FROM PREVIOUS MONTH
\$ (112,412)	\$ (0.019627) \$ (13,823)	\$ 0.034699 \$ 0.050000 \$ 0.084699	\$ 0.065072	704,292 833,003 \$ 54,205	JAN \$ (98,589)
\$ (112,412) \$ (126,712) \$ (149,389) \$ (162,958) \$ (173,961) \$ (195,892) \$	\$(0.019627) \$(0.021415) \$(0.032890) \$(0.023348) \$(0.017409) \$ \$ (13,823) \$ (14,300) \$ (22,677) \$ (13,568) \$ (11,003) \$	\$ 0.034699 \$ 0.050000 \$ 0.084699	\$ 0.063284 \$ 0.051809 \$ 0.061351 \$ 0.067290 \$ 0.065396 \$	704,292 667,766 689,482 581,138 632,039 833,003 805,796 870,383 757,763 750,356 54,205 \$ 50,994 \$ 45,094 \$ 46,489 \$ 50,492 \$	FEB \$ (112,412)
\$ (149,389) \$	\$ (0.032890) \$ \$ (22,677) \$	\$ 0.034699 \$ \$ 0.050000 \$ \$ 0.084699 \$	\$ 0.051809 \$	689,482 870,383 \$ 45,094 \$	MAR (126,712) \$
(162,958) \$	(0.023348) \$ (13,568) \$	\$ 0.034699 \$ \$ 0.050000 \$ \$ 0.084699 \$	0.061351 \$	581,138 757,763 46,489 \$	APRIL (149,389) \$
(173,961) \$	(0.017409) \$ (11,003) \$	\$ 0.034699 \$ \$ 0.050000 \$ \$ 0.084699 \$	0.067290 \$	632,039 750,356 50,492 \$	MAY (162,958) \$
(195,892) \$	(0.019303) \$ (21,931) \$	\$ 0.034699 \$ \$ 0.050000 \$ \$ 0.084699 \$	0.065396 \$	1,136,128 1,157,003 75,663 \$	JUNE (173,961) \$
	(0.014158) \$ (13,991) \$	\$ 0.034699 \$ \$ 0.050000 \$ \$ 0.084699 \$		<u></u>	1012 10LΥ (195,892) 1
(254,873)	(0.033551) ((44,990) (\$ 0.034699 \$ \$ 0.050000 \$ \$ 0.084699 \$	0.051148	1,340,956 1,529,730 78,243	AUG (209,883)
(287,300)	(0.031673) : (32,427) :	\$ 0.034699 \$ 0.050000 \$ 0.084699	0.053026	1,023,815 1,233,148 65,388	SEPT (254,873)
\$ (318,807)	\$ (0,045359) \$ (31,507)	\$ 0.034699 \$ 0.034699 \$ 0.050000 \$ 0.050000 \$ 0.084699 \$ 0.084699	0.039340	694,611 1,072,521 \$ 42,193	, ÖCT ' \$ (287,300)
(209,883) \$ (254,873) \$ (287,300) \$ (318,807) \$ (355,005) \$ (393,357)	(0.014158) \$ (0.033551) \$ (0.031673) \$ (0.045359) \$ (0.056759) \$ (13,991) \$ (44,990) \$ (32,427) \$ (31,507) \$ (36,198) \$	\$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.0500000	0.070541 \$ 0.051148 \$ 0.053026 \$ 0.039340 \$ 0.027940 \$ 0.036103	388,209 1,340,956 1,023,815 694,611 637,750 789,187 153,176 1,529,730 1,233,148 1,072,521 1,170,722 1,452,644 81,347 \$ 78,243 \$ 65,388 \$ 42,193 \$ 32,710 \$ 52,445	JAN FEB MAR APRIL MAY JUNE JULY AUG SEPT OCT NOY DEC (98,589) \$ (112,412) \$ (126,712) \$ (149,389) \$ (162,958) \$ (173,961) \$ (195,892) \$ (209,883) \$ (254,873) \$ (287,300) \$ (316,807) \$ (355,005)
\$ (393,357)	\$ (0.048596) \$ (38,351)	\$ 0.034699 \$ 0.050000 \$ 0.084699	\$ 0.036103	789,187 1,452,644 \$ 52,445	DEC \$ (355,005)

AUTHORIZED BASE COST (\$/kWh) OF PUR. POWER	UNIT COST (\$/kWh) OF PURCHASED POWER	JURISDICTIONAL SALES (kWh) (Applicable to FUEL ADJ.) TOTAL SALES (excluding Special contracts not applicable to fuel adj) ACTUAL COST OF PURCHASED POWER	
---	---------------------------------------	--	--

ENDING BANK BALANCE FROM PREVIOUS MONTH

TOTAL RATE	AUTHORIZED	AUTHORIZED
TOTAL RATE COLLECTED FROM CUSTOMER (\$/kWh)	AUTHORIZED PUR. POWER ADJUSTOR (\$/kWh)	AUTHORIZED BASE COST (\$/kWh) OF PUR. POWER

ENDING BANK BALANCE: Cr=Overpmt by customer	NET CHANGE TO BANK BALANCE:	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED
---	-----------------------------	---

€9	₩ ₩	& & &	€9	↔		6
	(0.01 (13	\$ 0.034699 \$ 0.050000 \$ 0.084699	\$ 0.065072	833 54	702	
(407,180) \$ (421,480) \$ (444,157) \$ (457,726) \$ (468,729) \$ (490,659) \$ (504,650) \$	\$ (0.019627) \$ (0.021415) \$ (0.032890) \$ (0.023348) \$ (0.017409) \$ \$ (13,823) \$ (14,300) \$ (22,677) \$ (13,568) \$ (11,003) \$	4699 0000 4699	5072	833,003 805,796 870,383 757,763 750,356 1,157,003 1,153,176 1,529,730 1,233,148 1,072,521 54,205 \$ 50,994 \$ 45,094 \$ 46,489 \$ 50,492 \$ 75,663 \$ 81,347 \$ 78,243 \$ 65,388 \$ 42,193 \$	704,292	JAN (393,357)
€9	\$ \$ (C)	e e e	\$	69		6
(421,).0212	\$ 0.034699 \$ 0.050000 \$ 0.084699	\$ 0.063284	805,796 50,994	667,766	FEB (407,
180)	#15) 300)	•	284	796 394	766	180)
\$ (4	\$ (0.C	\$ 0.0	\$ 0.0	. α.	တ္ဆ	\$ (4: ≤
14,15	3289 22,67	\$ 0.034699 \$ 0.050000 \$ 0.084699	\$ 0.051809	870,383 45,094	689,482	AR 21,48
7) \$	7) \$ \$	•		⇔	10	.
(457	(0.023 (13	\$ 0.034699 \$ 0.050000 \$ 0.084699	0.061	757,763 46,489	581,138	APR (444
,726)	\$ (0.021415) \$ (0.032890) \$ (0.023348) \$ (0.017409) \$ (0.019303) \$ (0.014158) \$ \$ (14,300) \$ (22,677) \$ (13,568) \$ (11,003) \$ (21,931) \$ (13,991) \$		351	,763 ,489	,138	IL ,157)
\$	\$ (0.	\$ 0.034699 \$ 0.050000 \$ 0.084699	\$	↔		\$
168,7:	01740 (11,00	03469 05000 08469	06729	750,356 50,492	632,039	/AY 157,7:
29) \$) (9) (4) (4)	8 8 8	٥ 4	22 56 ##	39	26)
 2	(6.0	\$ 0.034699 \$ 0.050000 \$ 0.084699	0.0	=======================================		G G
90,65)1930 21,93)3469)5000)8469)6539	1,157,003 75,663	1,136,128	NE 68,72
\$	(0.019303) \$ (0.014158) \$ (21,931) \$ (13,991) \$	ଉଁଠି ହିଁ ୧୯୧) ବ	ფ	ಟಟ ಈ	œ	9 .
(5	(0.0	\$ 0.034699 \$ 0.050000 \$ 0.084699	0.0		ဖွ	013 JU
04,65	1415 13,99	3469 5000 8469	7054	1,153,176 81,347	988,209	LY 90,65
<u>9</u>	± 9 \$ \$		€	7 U	U	9) \$
(54	(0.033551) \$ (44,990) \$	\$ 0.034699 \$ 0.050000 \$ 0.084699	0.0	1,52 7	1,34	AU :
9,641	33551 4,990	34699 34699	51148	1,529,730 78,243	1,340,956	. . 4,650
 ∳	G G	es es es	49	69		•
(582	(0.03 (3)	\$ 0.034699 \$ 0.050000 \$ 0.084699	0.05	1,233,148 65,388	1,023,815	SEP
2,068)	1673) 2,427)	4699 4699	3026	3,148 5,388	3,815	T
(549,641) \$ (582,068) \$ (613,575) \$	(0.033551) \$ (0.031673) \$ (0.045359) \$ (44,990) \$ (32,427) \$ (31,507) \$	e e e	69	⇔		⇔
(613	(0.04) (31	\$ 0.034699 \$ 0.050000 \$ 0.084699	0.03	1,072,521 42,193	694	00] (582
,575)	5359) ,507)	4699 4699	9340	,521 ,193	694,611	,068)
		\$ 0.034699 \$ 0.034699 \$ 0.050000 \$ 0.050000 \$ 0.084699 \$ 0.084699	€9	⇔		4
(649	(0.056 (36	\$ 0.034699 \$ 0.050000 \$ 0.084699	0.027	1,170,722 32,710	637,750	NOV (613
(649,773) \$	(0.056759) \$ (36,198) \$	9694	\$ 0,061351 \$ 0.067290 \$ 0,065396 \$ 0.070541 \$ 0,051148 \$ 0.053026 \$ 0,039340 \$ 0.027940 \$	1,170,722 32,710 \$,750	JAN FEB MAR APRIL MAY JUNE JULY AUG SEPT OCT NOV. (593,357) \$ (407,180) \$ (421,480) \$ (444,157) \$ (457,728) \$ (468,729) \$ (490,689) \$ (504,650) \$ (549,641) \$ (582,088) \$ (613,575) \$
		es es es		↔ .		
(688,124)	(0.048596 (38,351	0.034699 0.050000 0.084699	0.036103	1,452,644 52,445	789,187	DEC (649,773)
124)	596) 351)	699	103	644 445	187	773)

ENDING BANK BALANCE: Cr=Overpmt by customer	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY (\$\(k\)wh) NET CHANGE TO BANK BALANCE:	AUTHORIZED BASE COST (\$kWh) OF PUR. POWER AUTHORIZED PUR. POWER ADJUSTOR (\$kWh) TOTAL RATE COLLECTED FROM CUSTOMER (\$kWh)	UNIT COST (\$/kWh) OF PURCHASED POWER	TOTAL SALES (excluding Special contracts not applicable to fuel adj) ACTUAL COST OF PURCHASED POWER	JURISDICTIONAL SALES (kWh) (Applicable to FUEL ADJ.)	ENDING BANK BALANCE FROM PREVIOUS MONTH
\$ (112,412)	\$(0.019627) \$ (13,823)	\$ 0.034699 \$ 0.050000 \$ 0.084699	\$ 0.065072	833,003 \$ 54,205 \$	704,292	JAN \$ (98,589)
\$ (112,412) \$ (126,712) \$ (149,389) \$ (139,712) \$ (125,434) \$ (101,919) \$	\$(0.019627) \$ (0.021415) \$(0.032890) \$ 0.016652 \$0.022591 \$ \$ (13,823) \$ (14,300) \$ (22,677) \$ 9,677 \$ 14,278 \$	\$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.050000 \$ 0.050000 \$ 0.050000 \$ 0.010000 \$ 0.084699 \$ 0.084699 \$ 0.084699 \$ 0.044699	\$ 0.065072 \$ 0.063284 \$ 0.051809 \$ 0.061351		667,766	JAN FEB MAR APRIL MAY JUNE JULY AUG SEPT OCT NOY DEC. (98.589) \$ (112.412) \$ (126.712) \$ (149.389) \$ (139.712) \$ (125.434) \$ (101.919) \$ (76.382) \$ (67.734) \$ (59.209) \$ (62.931) \$ (73.620)
\$ (149,389) \$	\$ (0.032890) \$ \$ (22,677) \$	\$ 0.034699 \$ \$ 0.050000 \$ \$ 0.084699 \$	0.051809 \$	805,796 870,383 757,763 750,356 50,994 \$ 45,094 \$ 46,489 \$ 50,492 \$	689,482	MAR \$ (126,712) \$
(139,712) \$	0.016652 4 9,677 4		0.061351	757,763 46,489 \$	581,138	APRIL (149,389)
\$ (125,434) \$	\$0.022591 \$ \$ 14,278 \$	\$0.034699 \$ \$0.010000 \$ \$0.044699 \$	\$0.067290 \$ 0.065396	750,356 \$ 50,492 \$	632,039	MAY \$ (139,712) \$
(101,919)	0.020697 23,514	0.034699 0.010000 0.044699		1,157,003 75,663	1,136,128	JUNE (125,434)
		\$0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.010000 \$ 0.010000 \$ 0.010000 \$ 0.010000 \$ 0.010000 \$ 0.010000 \$ 0.010000 \$ 0.044699 \$	\$ 0.070541	\$ 1.1	988,209	2012 JULY 5 \$ (101,919)
(76,382) \$ (67,734) \$ (59,209) \$ (62,931) \$ (73,620) \$ (80,403)	0.025842 \$ 0.006449 \$ 0.008327 \$ (0.005359) \$ (0.016759) \$ (0.008596) 25,537 \$ 8,648 \$ 8,525 \$ (3,722) \$ (10,688) \$ (6,784)	\$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.010000 \$ 0.010000 \$ 0.010000 \$ 0.010000 \$ 0.044699 \$ 0.044699 \$ 0.044699 \$ 0.044699 \$	0.070541 \$ 0.051148 \$ 0.053026 \$ 0.039340 \$ 0.027940 \$ 0.036103	53,176 1,529,730 1,233,148 1,072,521 1,170,722 81,347 \$ 78,243 \$ 65,388 \$ 42,183 \$ 32,710 \$	1,340,956	AUG \$ (76,382)
\$ (59,209)	\$ 0.008327 \$ 8,525	\$ 0.034699 \$ 0.010000 \$ 0.044699	\$ 0.053026	1,233,148 \$ 65,388	1,023,815	SEPT - \$ (67,734)
\$ (62,931)	0.008327 \$ (0.005359) \$ (0.016759) \$ (0.008596) 8,525 \$ (3,722) \$ (10,688) \$ (6,784)	\$ 0.034699 \$ 0.010000 \$ 0.044699	\$ 0.039340	1,072,521 \$ 42,193	694,611	OCT \$ (59,209
÷	\$ (0.0	\$ 0.0	\$ 0.0	\$		\$ N
73,620))16759) 10,688))34699)10000)44699)27940	1,170,722 \$ 32,710	637,750	DV 62,931)
\$ (80,403)	\$ (0.008596) \$ (6,784)	\$ 0.034699 \$ 0.010000 \$ 0.044699	\$ 0.036103	_	789,187	DEC \$ (73,620)

ENDING BANK BALANCE: Cr=Overpmt by customer	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY (\$/kWh) NET CHANGE TO BANK BALANCE:	AUTHORIZED BASE COST (\$/kWh) OF PUR. POWER AUTHORIZED PUR. POWER ADJUSTOR (\$/kWh) TOTAL RATE COLLECTED FROM CUSTOMER (\$/kWh)	JURISDICTIONAL SALES (kWh) (Applicable to FUEL ADJ.) TOTAL SALES (excluding Special contracts not applicable to fuel adj) ACTUAL COST OF PURCHASED POWER UNIT COST (\$/kWh) OF PURCHASED POWER	ENDING BANK BALANCE FROM PREVIOUS MONTH
\$ (66,055)	\$ 0.020373 \$ \$ 14,349 \$	\$ 0.034699 \$ 0.010000 \$ 0.044699	704,292 833,003 \$ 54,205 \$ 0.065072	\$ (80,403)
(66,055) \$ (53,644) \$ (48,742) \$ (39,065) \$ (24,787) \$	\$ 0.018585 \$ 12,410	\$ 0.034699 \$ 0.034699 \$ 0.010000 \$ 0.010000 \$ 0.044699 \$ 0.044699 \$ 0.044699 \$ 0.044699	667,766 805,796 \$ 50,994 \$ 0.063284	FEB \$ (66,055)
\$ (48,742)	0.018585 \$ 0.007110 \$ 0.016652 \$ 0.022591 \$ 12,410 \$ 4,902 \$ 9,677 \$ 14,278 \$		667,766 689,482 581,138 632,039 805,796 870,383 757,763 750,356 50,994 \$ 45,094 \$ 46,489 \$ 50,492 .063284 \$ 0.051809 \$ 0.061351 \$0.067290	MAR \$ (53,644)
\$ (39,065)	\$ 0.016652 \$ 9,677		581,138 757,763 \$ 46,489 \$ 0.061351	APRIL \$ (48,742)
\$ (24,787)	\$0.022591 \$ 14,278	\$0.034699 \$0.010000 \$0.044699	632,039 750,356 \$ 50,492 \$ \$0.067290 \$	MAY \$ (39,065)
\$ (1,272) \$	\$ 0.020697 \$ 23,514	\$0.034699 \$ 0.034699 \$0.010000 \$ 0.010000 \$0.044699 \$ 0.044699	1,136,128 1,157,003 75,663 0.065396	JAN FEB MAR APRIL MAY JUNE JU (80,403) \$ (66,055) \$ (53,644) \$ (48,742) \$ (39,065) \$ (24,787) \$
\$ 24,265 \$	\$ 0.025842 \$ 25,537	\$ 0.034699 \$ 0.010000 \$ 0.044699		2013 JULY \$ (1,272)
\$ 32,913 \$	0.025842 \$ 0.006449 \$ 25,537 \$ 8,648 \$	\$ 0.034699 \$ 0.010000 \$ 0.044699	1,340,956 1,529,730 \$ 78,243 \$ 0.051148	AUG \$ 24,265
	\$ 0.008327 \$ 8,525	\$ 0.034699 \$ 0.010000 \$ 0.044699	1,340,956 1,023,815 694,611 637,750 53,176 1,529,730 1,233,148 1,072,521 1,170,722 81,347 \$ 78,243 \$ 65,388 \$ 42,193 \$ 32,710 \$ 570541 \$ 0.051148 \$ 0.053026 \$ 0.039340 \$ 0.027940 \$	SEPT \$ 32,913
41,438 \$ 37,716 \$	\$ (0.005359) \$ (3,722)	\$ 0.034699 \$ 0.010000 \$ 0.044699	694,611 1,072,521 \$ 42,193 \$ 0.039340	OCT \$ 41,438
\$ 27,028 \$) \$ (0.016759) \$ (10,688	\$ 0.034698 \$ 0.010000 \$ 0.044698	637,750 1,170,722 \$ 32,710 \$ 0.027940	* 37,716
3 \$ 20,244	0.008327 \$ (0.005359) \$ (0.016759) \$ (0.008596) 8,525 \$ (3.722) \$ (10,688) \$ (6,784)	\$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.010000 \$ 0.010000 \$ 0.010000 \$ 0.010000 \$ 0.010000 \$ 0.044699 \$ 0.044699 \$ 0.044699 \$ 0.044699 \$ 0.044699 \$ 0.044699 \$ 0.044699 \$ 0.044699	988,209 1,340,956 1,023,815 694,611 637,750 789,187 1,153,176 1,529,730 1,233,148 1,072,521 1,170,722 1,452,644 81,347 \$ 78,243 \$ 65,388 \$ 42,193 \$ 32,710 \$ 52,445 0,070541 \$ 0.051148 \$ 0.053026 \$ 0.039340 \$ 0.027940 \$ 0.036103	JLY AUG SEPT OCT NOV. DEC (1,272) \$ 24,265 \$ 32,913 \$ 41,438 \$ 37,716 \$ 27,028

1 BEFORE THE ARIZONA CORPORATION COMMISSION 2 GARY PIERCE Chairman 3 **BOB STUMP** Commissioner SANDRA D. KENNEDY 4 Commissioner 5 PAUL NEWMAN Commissioner **BRENDA BURNS** 6 Commissioner 7 8 IN THE MATTER OF THE APPLICATION DOCKET NO. E-01025A-12-0003 9 OF AJO IMPROVEMENT COMPANY FOR AN ADJUSTMENT IN ITS PURCHASED DECISION NO. 10 POWER AND FUEL ADJUSTMENT OPINION AND ORDER CLAUSE RATE 11 12 13 Open Meeting March 27 and 28, 2012 14 Phoenix, Arizona 15 BY THE COMMISSION: 16 FINDINGS OF FACT Introduction 17 1. 18 On January 4, 2012, Ajo Improvement Company ("AIC" or "Company") filed an 19 application with the Arizona Corporation Commission ("Commission") requesting approval of an 20 adjustment to the Purchased Power and Fuel Adjustment Clause ("PPFAC") rate. On January 18, 2012, AIC filed an amended application maintaining its request to approve an adjustment to the 21 22. PPFAC rate and incorporating updates to the calculations in the spreadsheets that were filed as Exhibit A to the original application. According to AIC, the purpose of the proposed rate 23 24 adjustment is to prevent any rapid over-collection of its PPFAC bank balance. AIC is requesting to decrease its PPFAC rate to \$0.01000 per kilowatt hour ("kWh") from \$0.05000 per kWh. This 25 would be a decrease of \$0.04000 per kWh. The application requests an effective date of April 1, 26 27 2012.

28

Background

- 14

- 2. AIC's last electric rate application resulted in the Commission approving new rates in Decision No. 62764, dated August 2, 2000. In that case, the Commission approved a base cost of power equal to \$0.034699 per kWh and a PPFAC rate of \$0.005332 per kWh. A PPFAC mechanism is established to deal with changes in purchased power costs between rate cases. When the actual cost of purchased power exceeds the base cost of power, the PPFAC rate is set to a positive number. However, when actual purchased power costs are lower than the base cost of power, as in AIC's situation, the PPFAC rate is lowered or even set to a negative number. The PPFAC bank balance tracks the differences between actual purchased power costs and those recovered through the combination of base rates and the PPFAC rate.
- 3. In Decision No. 63828, dated June 28, 2001, the Commission approved a PPFAC rate of \$0.05000 per kWh. This PPFAC rate was approved in order to stop rapidly-continuing increases in AIC's under-collected PPFAC bank balance. According to AIC, the current PPFAC rate has reduced the under-collected bank balance to the point where it was eliminated before the end of 2011. If the current PPFAC rate of \$0.05000 per kWh remains in effect, AIC anticipates that the PPFAC bank balance would reflect an over-collection of \$503,946 by the end of 2012.
- 4. AIC is an Arizona public service corporation certificated by the Commission to provide electric, water and wastewater service to customers in Pima County, Arizona. According to its December 2011 fuel adjustor report, AIC provides electric service to approximately 1,029 customers.

AIC's Proposal

5. AIC proposes to reduce the PPFAC from \$0.05000 per kWh to \$0.01000 per kWh effective April 1, 2012. Based on its current approximation of power costs, AIC estimates that a PPFAC rate of \$0.01000 per kWh beginning in April 2012 should eliminate the over-collection before the end of 2013 (resulting in an under-collection of \$40,758 by the end of 2013). AIC anticipates purchase power prices will remain relatively stable for the Company and believes the PPFAC rate of \$0.01000 along with the base purchase power rate currently in effect of \$0.034699 per kWh will accurately reflect AIC's purchase power costs for the foreseeable future.

Decision No.	
TO COTOTOTI I TO:	

6. Based on average residential monthly usage of approximately 416 kWh, AIC estimates the residential customer's bill would reflect a savings of approximately \$16.64 per month (starting in April 2012) if the Commission approves reducing the PPFAC rate to \$0.01000 per kWh versus having the PPFAC rate remain at \$0.05000 per kWh.

Staff Analysis

- 7. Staff has reviewed AIC's projections for future purchased power costs and sales. While the Company's projections may be slightly higher than actual power costs and sales volumes and dollars from 2011, Staff's analysis projecting historical data forward leads to the same conclusions as AIC including: (1) the under-collection bank balance was eliminated before the end of 2011, (2) if no change is made to the current PPFAC rate of \$0.05000 per kWh, the bank balance will continue to grow as an over-collected balance, and (3) if supply prices remain relatively stable for AIC, as they have in the past, reducing the PPFAC rate to \$0.01000 per kWh should eliminate the over-collection. However, Staff projects the over-collection to be eliminated by the summer of 2013 resulting in an under-collected balance of approximately \$20,244 at the end of December 2013.
- 8. Staff has examined the models used to calculate the projected account balance levels in the future and finds the models to be consistent with the methodology AIC uses to report its monthly PPFAC account balance information, and is also consistent with the methodology Staff uses to verify AIC's account balance calculations. Since the original and amended application filing dates by AIC, the Company has filed its December 2011 purchased power fuel adjustor reports so Staff was able to complete its analysis based upon actual 2011 power purchases and sales. Staff's analysis, as detailed on the attached spreadsheets, incorporating AIC's proposal for decreasing the PPFAC rate to \$0.01000 per kWh effective April 1, 2012, shows the estimated account balance at the end of 2012 to be an over-collection of \$80,403 and eliminating the over-collection by July of 2013 (resulting in an under-collection of \$20,244 by the end of 2013). If the current PPFAC rate is not decreased as proposed by AIC, Staff's analysis estimates the over-collected bank balance to be \$393,357 at the end of 2012 and over-collected \$688,124 by the end of 2013.

De	cis	sion	No.		

- 9. While it is impossible to predict future power prices, AIC estimates little volatility in its supply cost over the next two years based on its current portfolio mix of fixed and index priced supply. The Energy Information Administration ("EIA") publishes natural gas futures prices. The current EIA forecast for 2012 natural gas prices is significantly lower than at this time last year, due to continued growth in production and a warmer winter leading to higher natural gas inventories. EIA anticipates the Henry Hub spot price will average \$3.53 per million British thermal units ("MMBtu") in 2012 and rise to an average of \$4.14 per MMBtu in 2013. While AIC is not purchasing natural gas supply, it is purchasing supply indexed to natural gas pricing. EIA's forecast indicates that the indexed portion of AIC's portfolio should remain at a relatively stable recovery level for AIC. In addition, AIC's actual purchased power costs over the past three years have remained stable averaging in a range from \$0.04000 to \$0.07000 per kWh.
- 10. After reviewing AIC's original and amended application, Staff agrees with AIC's assessment that the reduction is necessary to prevent a rapid over-collection by the Company. Staff also agrees with AIC's estimate of savings on an average residential customer's bill of approximately \$16.64 per month if the PPFAC rate is lowered effective April 1, 2012. Staff has recommended for approval the reduction of the current PPFAC rate from \$0.05000 per kWh to \$0.01000 per kWh effective April 1, 2012.

CONCLUSIONS OF LAW

- 1. Ajo Improvement Company is an Arizona public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.
- 2. The Commission has jurisdiction over Ajo Improvement Company and over the subject matter of the Application.
- 3. The Commission, having reviewed the application and Staff's Memorandum dated February 28, 2012, concludes that it is in the public interest to approve a decrease to the PPFAC rate.

ORDER

IT IS THEREFORE ORDERED that for Ajo Improvement Company the PPFAC rate decrease to \$0.01000 per kWh be, and hereby is, approved.

Decision No.	

1	IT IS FURTHER ORD	DERED that this change to	the Purchased Power a	and Fuel Adjustment
2	Clause rate become effective A	April 1, 2012.		
3	IT IS FURTHER ORD	DERED that this Order shal	1 become effective im	mediately.
4				
5	BY THE ORDER (OF THE ARIZONA CO	RPORATION COM	MISSION
6				
7				
8	CHAIRMAN	· · · · · · · · · · · · · · · · · · ·	COMMISSIONER	
9				
10				· .
1	COMMISSIONER	COMMISSIONER	CO	OMMISSIONER
12		•		
13		IN WITNESS WH	EREOF, I, ERNES	T G. JOHNSON,
4		Executive Director o have hereunto, set my Commission to be affi	hand and caused the execution in	official seal of this the City of Phoenix.
5		Commission to be affithis	day of	, 2012.
6				
7		ERNEST G. JOHNSO EXECUTIVE DIREC		
8				
- 1	DISSENT:			
20				
21 22	DISSENT:			
23	SMO:RSP:lhm\BES			
24				
25				·
26				
27				
28			•	
-			Destrict ST	
			Decision No)

20

21

22

23

24

25

26

27

28

Decision No.

Docket No. E-01025A-12-0003

DEC (355,005)	789,187	1,452,644 52,445	0.036103	0.034699	0.084699	(0.048596) (38,351)	(393,357)
9		₩	€9	es es	€9-	 	
NOV (318,807)	637,750	1,170,722 32,710	0.027940	0.034699	0.084699	(0.056759) \$ (36,198) \$	\$ (300'398)
OCT. (287,300) \$	694,611	1,072,521 42,193 \$	0.039340 \$	0.034699 \$	\$ 0.084699 \$	(0.045359) \$ (31,507) \$	(318,807)
FEB	1,023,815	1,233,148 65,388 \$	\$ 0.051809 \$ 0.061351 \$ 0.067290 \$ 0.065396 \$ 0.070541 \$ 0.051148 \$ 0.053026 \$ 0.039340 \$ 0.027940 \$ 0.036103	\$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.050000 \$ 0.050000 \$ 0.050000	\$ 0.084699 \$.021415) \$(0.032890) \$(0.023348) \$(0.017409) \$ (0.019303) \$ (0.014158) \$ (0.033551) \$ (0.031673) \$ (0.045359) \$ (0.056759) \$ (0.048596) \$ (1.04300) \$ (32,427) \$ (31,507) \$ (31,607) \$ (31,	(195,892) \$ (279,883) \$ (254,873) \$ (287,300) \$ (318,807) \$
		69	69	⇔ ↔	69	69 69	€
E AUG (209,883)	1,340,956	1,529,730 78,243	0.051148	0.034699 \$ 0.034699 \$ 0.034699 0.050000 \$ 0.050000 \$ 0.050000	0.084699 \$ 0.084699 \$ 0.084699	(0.033551) (44,990)	(254,873)
\$		₩	€÷	↔ ↔	₩		69
2012 JULY (195,892)	988,209	1,153,176 81,347	0.070541	0.034699	0.084699	(0.014158) (13,991)	(2/)9,883)
S &		€9	€9	⇔ ↔	(9)	↔ ↔	69
JUNE (173,961)	1,136,128	1,157,003 75,663	0.065396	0.034699	0.084699	(0.019303) (21,931)	
		↔	↔	es es	19	99 99	69
MAY. \$ (162,958)	632,039	750,356 \$ 50,492	\$ 0.067290	\$ 0.034699	\$ 0.084699	\$ (0.017409) \$ (11,003)	\$ (173,961)
APRIL (149,389)	581,138	757,763 \$ 46,489	0.061351	\$ 0.034699	\$ 0.084699	\$ (0.023348) \$ (13,568)	(162,958)
1MAR.); (126,712)	689,482	870,383 45,094	0.051809		\$ 0.084699	(0.032890)	(126,712) \$ (149,389) \$ (162,958) \$ (173,961) \$
57.75V.7	992,766	805,796 50,994 \$.063284		0.084699	(0.021415) § (14,300) §	_
*		€9	€	↔ ↔ (↔	es es	*
3 (98,589) \$	704,292	833,003 \$ 54,205	\$ 0.065072 \$ 0	\$ 0.034699	\$ 0.084699	\$ (0.019627) \$ (0. \$ (13,823) \$	\$ (112,412) \$
ENDING BANK BALANCE FROM PREVIOUS MONTH	JURISDICTIONAL SALES (kWh) (Applicable to FUEL ADJ.)	10 IAL SALES (excluding special contracts not applicable to fuel adj) ACTUAL COST OF PURCHASED POWER	UNIT COST (\$/kWh) OF PURCHASED POWER	AUTHORIZED BASE COST (\$/kwh) OF PUR. POWER AUTHORIZED PUR. POWER ADJUSTOR (\$/kwh)	TOTAL RATE COLLECTED FROM CUSTOMER (\$KKWh)	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY (\$KWN) NET CHANGE TO BANK BALANCE:	ENDING BANK BALANCE: Cr=Overpmt by customer .

\$ (393,357) \$ (407,180) \$ (421,480) \$ (444,157) \$ (495,726) \$ (486,729) \$ (496,659) \$ (504,650) \$ (549,641) \$ (562,068) \$ (613,575) \$ (649,773)	632,039 1,136,128 988,209 1,340,956 1,023,815 694,611 637,750 789,187	750,356 1,157,003 1,153,176 1,529,730 1,233,148 1,072,521 1,170,722 1,452,644 \$ 50,492 \$ 75,663 \$ 81,347 \$ 78,243 \$ 65,388 \$ 42,193 \$ 32,710 \$ 52,445	\$ 0.067290 \$ 0.065396 \$ 0.070541 \$ 0.051148 \$ 0.053026 \$ 0.039340 \$ 0.027940 \$ 0.036103	\$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.050000 \$ 0.056000 \$ 0.056000 \$ 0.056000 \$ 0.056000 \$ 0.056000 \$ 0.056000 \$ 0.084699 \$ 0.084699 \$ 0.084699 \$ 0.084699 \$ 0.084699 \$ 0.084699 \$ 0.084699	\$(0.019627) \$ (0.021415) \$ (0.032890) \$ (0.023348) \$ (0.017409) \$ (0.019303) \$ (0.014158) \$ (0.033551) \$ (0.031673) \$ (0.045359) \$ (0.056759) \$ (0.046596) \$ (1.0	\$ (468,729) \$ (490,659) \$ (504,650) \$ (549,641) \$ (582,068) \$ (613,575) \$ (649,773) \$ (688,124)
N. FEB. MAR. * APRIL 3,357) \$ (407,180) \$ (421,480) \$ (444,15)	704,292 667,766 689,482 581,138	833,003 805,796 870,383 757,763 54,205 \$ 50,994 \$ 45,094 \$ 46,489 \$	\$ 0.065072 \$ 0.063284 \$ 0.051809 \$ 0.061351	\$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.0560000 \$ 0.0560000 \$ 0.0560000 \$ 0.0560000 \$ 0.084699 \$ 0.084699 \$ 0.084699 \$ 0.084699	\$(0.019627) \$ (0.021415) \$ (0.032890) \$ (0.023348) \$ (0.017409) \$ \$ (13,823) \$ (14,300) \$ (22,677) \$ (13,568) \$ (11,003) \$	\$ (407,180) \$ (421,480) \$ (444,157) \$ (457,726) \$ (468,729) \$ (490,659)
ENDING BANK BALANCE FROM PREVIOUS MONTH \$ (393		1 U.A.L. SALES (excluding special contracts not applicable to 833 fuel adj) ACTUAL COST OF PURCHASED POWER \$ 54	UNIT COST (\$/kWh) OF PURCHASED POWER \$ 0.06	AUTHORIZED BASE COST (\$RWM) OF PUR. POWER \$ 0.03 AUTHORIZED PUR. POWER ADJUSTOR (\$RWM) \$ 0.08 TOTAL RATE COLLECTED FROM CUSTOMER (\$RWM) \$ 0.08	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY (\$/kWh.) NET CHANGE TO BANK BALANCE: \$ (13)	ENDING BANK BALANCE: Cr=Overpmt by customer \$ (407

Decision No.

Estimated 2012-13 No Change to PPFAC.

AJO IMPROVEMENT COMPANY
ADJUSTMENT TO PURCHASED POWER AND FUEL ADJUSTMENT CLAUSE RATE
E-01025A-12-0003
ESTIMATED 2012-13 WITH PROPOSED CHANGE TO PPFAC

DEC.	(73,620)	789,187	1,452,644 52,445	0.036103	0.034699	0.044699	0.008596) (6,784)	(80,403)
	69		69	69	69 69	€9	69 69	69
VON	(62,931)	637,750	1,170,722 32,710	0.027940	0.034699	\$ 0.044699 \$ 0.044699	(0.016759) (10,688)	(73,620)
JAN FEB A MAR, APRIL MAY, A JUNE (* 2012) ANG BERT OST MAY DEC	\$ (98,589) \$ (112,412) \$ (126,712) \$ (149,389) \$ (139,712) \$ (125,434) \$ (101,919) \$ (76,382) \$ (67,734) \$ (59,209) \$ (62,931) \$ (73,620)	694,611	1,072,521 1,170,722 42,193 \$ 32,710	\$ 0.065072 \$ 0.063284 \$ 0.051809 \$ 0.061351 \$0.067290 \$ 0.065396 \$ 0.070541 \$ 0.051148 \$ 0.053026 \$ 0.039340 \$ 0.027940 \$ 0.036103		\$ 0.044699 \$	\$(0.019627) \$ (0.021415) \$(0.032890) \$ 0.016652 \$0.022591 \$ 0.020697 \$ 0.025842 \$ 0.006449 \$ 0.008397 \$ (0.005359) \$ (0.016759) \$ (0.0108596) \$ (13,823) \$ (14,300) \$ (22,677) \$ 9,677 \$ 14,278 \$ 23,514 \$ 25,537 \$ 8,648 \$ 8,525 \$ (3,722) \$ (10,688) \$ (6,784)	\$ (112,412) \$ (126,712) \$ (149,389) \$ (139,712) \$ (125,434) \$ (101,919) \$ (76,382) \$ (67,734) \$ (59,209) \$ (62,931) \$ (73,620) \$ (80,403)
ij	↔		69	69	es es	69	⊕ ¢÷	€9
SERT	(67,734)	1,023,815	1,153,176 1,529,730 1,233,148 81,347 \$ 78,243 \$ 65,388 \$	0.053026	0.034699	\$ 0.044699 \$ 0.044699 \$ 0.044699 \$ 0.044699	0.008327 8,525	(59,209)
	69		€9	69	es es	69	⇔ ↔	69
Aug	(76,382)	1,340,956	1,529,730 78,243	0.051148	0.034699	0.044699	0.006449 8,648	(67,734)
	Ġ		↔	€	60 €0	17	↔ ↔	4
, , , , ,	(101,919)	988,209	1,153,176 81,347	0.070541	0.034699	0.044699	0.025842	(76,382)
2	69		↔	↔	es es	₩.	⇔ ↔	€9
JUNE	(125,434)	1,136,128	1,157,003 75,663 \$	0.065396	0.034699	0.044699	0.020697	(101,919)
	69		€	↔	69 69	59	↔ ↔	65
, MAY.	\$ (139,712)	632,039	750,356 \$ 50,492	\$0.067290		\$0.044699	\$0.022591 \$ 14,278	\$ (125,434)
APRIL	\$ (149,389)	581,138	757,763 \$ 46,489	\$ 0.061351	\$ 0.034699	\$ 0.044699	\$ 0.016652 \$ 9,677	\$ (139,712)
MAR	(126,712)	689,482	870,383 757,763 750,356 \$ 45,094 \$ 46,489 \$ 50,492 \$	0.051809		\$ 0.084699	(0.032890)	(149,389)
FEB	(112,412) \$	992,799	805,796 50,994 \$	0.063284 \$		0.084699	(0.021415) \$ (14,300) \$	(126,712) \$
	€9		69	₩	69 69	.	↔ ↔	↔
JAN	(98,589)	704,292	833,003 \$ 54,205	\$ 0.065072	\$ 0.034699 \$ 0.034699 \$ 0.050000 \$ 0.050000	 0.084699 0.084699 	\$(0.019627) \$ (13,823)	\$ (112,412)
	ENDING BANK BALANCE FROM PREVIOUS MONTH	JURISDICTIONAL SALES (KWh) (Applicable to FUEL ADJ.) TOTAL SALES (excluding Special contracts not applicable to	fuel adj) ACTUAL COST OF PURCHASED POWER	UNIT COST (\$KWh) OF PURCHASED POWER	AUTHORIZED BASE COST (\$/KWh) OF PUR. POWER AUTHORIZED PUR. POWER ADJUSTOR (\$/KWh)	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED	AND ACTUAL RECOVERY (\$/kwh) NET CHANGE TO BANK BALANCE:	ENDING BANK BALANCE: Cr=Overpmt by customer

DEC 27,028	789,187	1,452,644 52,445	0.036103	0.034699	0.044699	(0,008596).	20,244	
					↔	- C		
	_	۰,	-	0.01		88	69	
**************************************	637,750	1,170,722 32,710	0.027940	0.034699	\$ 0.044699	(0.016759 (10,688	27,028	
9		69	49	₩ ₩		↔ ↔	44	
OCT (17 41,438	694,611	1,072,521 42,193	0.039340	\$ 0.034699 \$ 0.010000	0.044699	(0.005359) (3,722)	37,716	
A 60		€9	69	6 9 69	↔	₩ ₩	€	
\$ (80.403) \$ (66,055) \$ (53,644) \$ (48,742) \$ (39,065) \$ (24,787) \$ (1,272) \$ 24,285 \$ 32,913 \$ 41,438	1,023,815	1,233,148 65,388	\$0.087290 \$ 0.065396 \$ 0.070541 \$ 0.051148 \$ 0.053028 \$ 0.039340 \$ 0.027940 \$	0.034699	\$ 0.044699 \$ 0.044699 \$ 6.044699 \$ 0.044699 \$ 0.044699	0.008327 \$ (0.005359) \$ (0.016759) \$ 8,525 \$ (3,722) \$ (10,688) \$	41,438	
ω		₩	69	69 69	↔	(A (A	63	
, AUG + 2 24,265	1,340,956	1,529,730 78,243 \$	0.051148	\$ 0.034699 \$ 0.034699 \$ 0.034699 \$ 0.010000 \$ 0.010000	0.044699	0.006449 8,648	32,913	
4.1. ↔		↔	69	မှာ မှာ	€9	↔ ↔	€>	
13 (272) JULY 3 (1,272)	988,209	1,153,176 81,347	0.070541	0.034699	0.044699	0.025842 25,537	24,265	
8 8		€9	€9	\$\$ \$\$	€9	és es	69	
JUNE 7. (24,787)	1,136,128	1,157,003 75,663	0.065396	\$ 0.034699 \$ 0.010000	0.044699	0.020697 \$ 0.025842 \$ 23,514 \$ 25,537 \$	(1,272) \$	
		↔	69	69 69		₩ ₩	€9	
MAY 24 \$ (39,065)	632,039	750,356 \$ 50,492	\$0.067290	\$0.034699 \$0.010000	\$0.044699	\$0.022591 \$ 14,278	\$ (66,055) \$ (53,644) \$.(48,742) \$ (39,065) \$ (24,787) \$	
ຳລ	m					0) 0,	<u></u>	
, APRIL. \$ (48,74,	581,138	757,763 \$ 46,489	\$ 9.061351	\$ 0.034699 \$ 0.010000	\$ 0.044699	\$ 0.016652	390'6E) \$	
	8					0.8	ລ	
	689,482	870,383 \$ 45,094	\$ 0.051809	\$ 0.034699 \$ 0.010000	\$ 0.044699	\$ 0.007110 \$ 4,902	\$.(48,74;	
2	œ.	ō 4		ଦ୍ର ଠା	0	10 0	4	
FEB: (66,05	667,766	805,796 50,994	0.06328	0.03469	0.04469	0.01858	(53,64	
			•	N	_		. 🙃	
JAN \$ (80,400	704,292	833,003 54,205	\$ 0.065072 \$ 0.063284	\$ 0.034699 \$ 0.034699 \$ 0.010000 \$ 0.010000	\$ 0.044699 \$ 0.044699	\$ 0.020373 \$ 0.018585 \$ 14,349 \$ 12,410	\$ (66,055	
		37				W7 W7	J	
ENDING BANK BALANCE FROM PREVIOUS MONTH	JURISDICTIONAL SALES (KWh) (Applicable to FUEL ADJ.) "TOTAL SALES (excluding Special contracts not annicable to	fuel adj) ACTUAL COST OF PURCHASED POWER	UNIT COST (\$RWh) OF PURCHASED POWER	AUTHORIZED BASE COST (\$:kWh) OF PUR. POWER OF AUTHORIZED PUR. POWER ADJUSTOR (\$:kWh)	TOTAL RATE COLLECTED FROM CUSTOMER (\$RWh)	SS: INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED D AND ACTUAL RECOVERY (\$MWh) NET CHANGE TO BANK BALANCE:	O ENDING BANK BALANCE: Cr=Overpmt by customer	
							_	